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Resources Available to Help Alleviate the Propane Crisis

Madison – In a response to the ongoing propane crisis, the Wisconsin Housing and Economic Development Authority (WHEDA) is making it easier for small businesses to obtain fuel. WHEDA is expanding its \$3 million Propane Guarantee Program created last week specifically for propane dealers following Governor Walker's declaration of a State of Emergency. Under the expansion, existing small businesses would also be allowed to apply to purchase propane or propane equipment. The application and approval process is being streamlined to help businesses make purchases more quickly.

"We are doing everything possible to ensure that Wisconsin residents can get propane in their tanks," said Governor Walker. "While there is no silver bullet that will fix the current propane crisis, my administration has been moving forward with initiatives aimed at helping residents across the state keep the heat on during this bitterly cold winter."

"This is great news," said WHEDA Executive Director Wyman Winston. "In addition to propane dealers, many small businesses have contacted WHEDA requesting assistance to purchase or pay for propane. Some of those businesses have informed us they may have to cease operations until propane prices fall. WHEDA is very pleased to put in place this expansion to help our small businesses address the current crisis and remain open for business."

WHEDA is taking on greater risk because it will be providing loan guarantees to businesses across a spectrum of industries. To mitigate the additional risk, the guarantee will be limited to the lesser of 50 percent of the loan amount or \$25,000 per borrower. The borrower will also be required to sign a personal guarantee. The lender will share at least half the risk on the loan, thereby limiting the number of high risk loan guarantee applications that are submitted.

The expansion of and changes to the Propane Guarantee Program were approved last Friday by WHEDA's Internal and Members Loan Committees.

Similarly but separately, at the request of Governor Walker, the Wisconsin Economic Development Corporation (WEDC) recently began working with financial institutions to encourage them to create or expand lines of credit of up to \$100,000 to propane dealers during the current propane crisis.

Beyond just the efforts at WHEDA, on Monday, Jan. 27, Governor Walker and cabinet members met with representatives of the propane industry. By the end of the day, another program through WEDC had been fully developed and approved by the WEDC Board of Directors at an emergency meeting. As a result, by the end of last week, WEDC had received more than 100 inquiries about the program.

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“Not only is this program one of many steps taken by Governor Walker to provide relief in this crisis, it is also an example of how WEDC can utilize its unique authority to allocate funds to quickly respond to the needs of the business community,” said WEDC Chief Executive Officer, Reed Hall.

For more information on resources to help deal with the current propane crisis available through WEDC, please visit www.inwisconsin.com. For more information about WHEDA’s expanded Propane Guarantee Program, please visit www.wheda.com.

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